

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor: SUZANNE M. BUMP | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Arlington Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 20, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made July 1 each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

Enc.



# ARLINGTON RETIREMENT SYSTEM

FINANCIAL STATEMENTS

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Increase Over Prior Contribution
2016	2,337,092	134,192,385	8,182,171	(10,894)	10,508,369	5.50%
2017	2,442,261	134,170,360	8,654,962	(10,894)	11,086,329	5.50%
2018	2,552,163	131,698,776	9,154,808	(10,894)	11,696,077	5.50%
2019	2,667,010	129,804,792	9,785,967	(113,616)	12,339,361	5.50%
2020	2,787,026	129,020,236	10,344,616	(113,616)	13,018,026	5.50%
2021	2,912,442	127,576,292	10,935,192	(113,616)	13,734,018	5.50%
2022	3,043,502	125,389,182	11,559,503	(113,616)	14,489,389	5.50%
2023	3,180,459	122,366,905	12,219,462	(113,616)	15,286,305	5.50%
2024	3,323,580	118,408,502	12,917,088	(113,616)	16,127,052	5.50%
2025	3,473,141	113,403,271	13,654,514	(113,616)	17,014,039	5.50%
2026	3,629,432	107,229,913	14,433,995	(113,616)	17,949,812	5.50%
2027	3,792,757	99,755,611	15,257,910	(113,616)	18,937,051	5.50%
2028	3,963,431	90,835,029	16,128,774	(113,616)	19,978,589	5.50%
2029	4,141,785	80,309,223	17,049,242	(113,616)	21,077,412	5.50%
2030	4,328,166	68,004,480	18,022,120	(113,616)	22,236,669	5.50%
2031	4,522,933	53,731,037	19,050,369	(113,616)	23,459,686	5.50%
2032	4,726,465	37,281,719	20,137,120	(113,616)	24,749,969	5.50%
2033	4,939,156	18,430,444	18,430,444	(113,616)	23,255,984	-6.04%
2034	5,161,418	-	-	(113,616)	5,047,802	-78.29%

## Amortization of Unfunded Liability as of July 1, 2015

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2004	ERI - Town	38,902	4.00%	19	62,283	7
2004	ERI - Housing	4,102	4.00%	19	6,567	7
2006	ERI2003 - Town	15,910	4.00%	16	23,551	6
2016	Fresh Start	N/A	N/A	18	N/A	18

### Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established.

Type is the reason for the creation of the base. Examples are Gain/(Loss) or Fresh Start.

Original Amortization Amount is the annual amortization amount when the base was established.

Percentage Increasing is the percentage that the Original Amortization Amount increases per year.

Original # of Years is the number of years over which the base is being amortized.

Current Amortization Amount is the amortization payment amount for this year.

Years Remaining is the number of years left to amortize the base.

\* Unfunded Liability for Fiscal Years 2017-19 includes the following deferred gains from asset smoothing:

2017:	\$1,290,620
2018:	\$3,230,277
2019:	\$1,929,974

\*\* Fresh Start amortization is set to be the amount needed to result in an adjusted payment which is 5.50% higher than the prior fiscal year for the next 17 years with a 6.04% decrease year 18